(C) *Fuel Price Computation.*

(1) The delivered price of the proposed fuel to be burned (FPB_i) must reflect the real escalation rate of the proposed fuel, and must be computed with Equation EQ II–3.

EQ–II–3 is: $FPB_i = MPB\ [PX_i]$

where:

FPB_i=Price of the proposed fuel (distillate oil, residual oil, or natural gas) in year i.

MPB=The current delivered market price of the proposed fuel.

PX_i=The fuel price index value in year i, computed with Equation II–1.

or:

(2) When planning to use more than one fuel in the proposed unit(s), the petitioner must use Equation II–1 and Equation II–3 to calculate the annual fuel price of each fuel to be used. The petitioner then must estimate the proportion of each fuel to be burned annually over the useful life of the unit(s). With these proportions and the respective annual fuel prices for each fuel, the petitioner must compute an annual weighted average fuel price. The methodology used to calculate the weighted average fuel price must follow standard statistical procedures and be fully documented within the petition.

(d) *Fuel Price Computation—Alternate Fuel.* The delivered price of alternate fuel (PFA_i) must reflect the real escalation rate of alternate fuel and must be computed with Equation II–4.

Equation II–4 is:

$PFA_i = APF \times apx_i$

where:

PFA=The price of the alternate fuel in year i.

APF^{-i}=The current market price of the alternate fuel f.o.b. the facility).

APX_i=The alternate fuel price index value for year i, computed with Equation II–1.

In most cases the alternate fuel will be coal. The petitioner must use Equation II–1 (paragraph (b)) to compute the escalation rate (APX_i). If an alternate fuel other than coal is proposed the source or the derivation of the index must be fully documented and be contained in the evidential summary.

[54 FR 52896, Dec. 22, 1989]

PART 508 [RESERVED]

PART 516 [RESERVED]